

FILED

DEC 04 2008

INDIANA UTILITY
REGULATORY COMMISSION

BEFORE THE

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF THE CITY OF)
AURORA FOR THE APPROVAL OF NEW SCHEDULE OF GAS) CAUSE NO. 43527
RATES AND CHARGES)

STIPULATION AND SETTLEMENT AGREEMENT TESTIMONY AND EXHIBITS OF
PATRICK CALLAHAN, CPA

On Behalf of

AURORA (INDIANA) MUNICIPAL GAS UTILITY
IURC Cause No. 43527

BEFORE THE INDIANA UTILITY REGULATORY COMMISSION

Respectfully Submitted,



Jeffrey E. Stratman
Attorney for Petitioner

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing testimony and exhibits of Patrick Callahan has been served by electronic service and/or by depositing in US Mail (postage prepaid), this 3rd day of December, 2008, upon:

Leja D. Courter
Attorney of Record for Indiana OUCC
Suite 1500 South
Indianapolis, IN 46204
infomgt@oucc.in.gov



Jeffrey E. Stratman
Attorney for Petitioner

**STIPULATION AND SETTLEMENT AGREEMENT TESTIMONY AND EXHIBITS OF
PATRICK CALLAHAN, CPA**

On Behalf of

**AURORA (INDIANA) MUNICIPAL GAS UTILITY
IURC Cause No. 43527**

BEFORE THE INDIANA UTILITY REGULATORY COMMISSION

5 1. Q. Would you please state your name, business address and
6 affiliation with the Petitioner?

7 A. My name is Patrick Callahan. My business address is
8 135 North Union Street, Westfield, Indiana 46074. I
9 am an independent Certified Public Accountant, and
10 other than being employed to provide certain
11 professional services, I am unaffiliated with
12 Petitioner.

13 2. Q. Please describe the nature of your business.

14 A. Patrick Callahan, Certified Public Accountant is a firm
15 which provides utility accounting services to a variety
16 of clients, including a number of utilities regulated
17 by the Indiana Utility Regulatory Commission.

18 3. Q. Are you the same Patrick Callahan that prefiled
19 testimony and exhibits in this Cause?

20 A. Yes.

21 4. Q. **What is the purpose of your testimony in this Cause?**

22 A. The purpose of my testimony and exhibit in this Cause
23 is to support the Settlement Agreement ("Agreement")
24 between Petitioner and the Office of Utility Consumer
25 Counselor ("Parties").

26

27 5. Q. **I hand to you what is marked as "Joint Settlement**
28 **Exhibit 2". Could you please identify this exhibit?**

29 A. Yes. This exhibit identifies and supports the revenue
30 requirements supported by the Parties. The exhibits
31 also include the necessary increase required by
32 Petitioner.

33 6. Q. **Please explain the agreed upon level of rate relief for**
34 **Petitioner.**

35 A. Petitioner originally filed for an increase of 4.80%
36 increase in revenues while the OUCC proposed an
37 increase of 4.58%. Petitioner has agreed with the
38 Office of Utility Consumer Counselor's ("OUCC")
39 position, and has agreed to adjust Petitioner's revenue
40 requirements. The differences between Petitioner and
41 the OUCC's revenue requirements can be summarized into
42 three areas.

43 7. Q. **Could you please explain the differences?**

44 A. Yes. Firstly, the OUCC eliminated the transportation
45 adjustment. Since the price of gasoline and diesel
46 fuel has dropped in recent weeks, the adjustment is not
47 necessary. Petitioner agrees with the OUCC and has
48 eliminated the \$3,370 (Petitioner's Adjustment No. 8)
49 increase. Secondly, the OUCC has proposed to amortize
50 the cost of mapping the gas system (included in the
51 capital improvement) over five years. Petitioner
52 originally proposed this cost to be amortized over
53 three years. Petitioner has agreed with the OUCC's
54 position and has adjusted the revenue requirements to
55 reflect the five-year amortization. The revenue
56 requirements for Capital Improvements were reduced by
57 \$4,000 annually. Thirdly, Petitioner agrees with the
58 OUCC's adjustment to the utility receipts tax
59 adjustment (Petitioner Adjustment No. 15). The OUCC
60 reduced the operating revenues by the bad debt expense
61 while Petitioner did not. Petitioner agrees with the
62 OUCC's adjustment. The utility receipts tax was reduced
63 by \$324.

64 8. Q. **What are the revenue requirements agreed upon by the**
65 **Parties?**

66 A. On page 7, I have presented the revenue requirements

67 that the Parties have agreed upon in this Cause. I
68 have presented two columns on page 7. In column A, I
69 have presented the revenue requirements with the
70 purchased gas costs included in base rates, while
71 column B provides the increase without the cost of gas
72 included. The Parties have agreed to eliminate the
73 cost of purchased gas from the base rates; therefore,
74 the revenues and expenses associated with purchased gas
75 expense has been eliminated. The increase of \$167,875
76 is the increase required to meet Petitioner's agreed
77 upon revenue requirements. In both columns, the
78 increase is the same.

79 9. Q. **Have you revised all the necessary schedules to support**
80 **the rate increase agreed to by the Parties?**

81 A. Yes. As mentioned above, the revenue requirements are
82 summarized on page 7 of the Joint Settlement Exhibit 2
83 and agreed upon by the Parties. All of the
84 accompanying schedules, where necessary, have been
85 revised to support the increase agreed upon by the
86 Parties. Since the Parties have agreed to eliminate the
87 purchased gas component from the base rates, the
88 revenue requirements in column B will be utilized for
89 determination of the new base rates for Petitioner.
90 Column A is presented for information only. In both

91 columns, the increase agreed to by the Parties is the
92 same, \$167,875.

93 10. Q. **Do you believe the increase agreed upon by the Parties**
94 **is fair and supported by the schedules included in this**
95 **report?**

96 A. Yes. I believe the rate relief agreed upon by the
97 Parties is fair and is supported by this joint exhibit.
98 Petitioner will continue to control its operating costs
99 to the best of their ability. It has been eleven (11)
100 years since Petitioner has increased its base rates.

101 11. Q. **Have you prepared new tariffs based on the Parties**
102 **agreement?**

103 A. Yes. I have included the new tariffs on pages 35
104 through 39. I have revised the GCA-99 factor to
105 reflect the elimination of the base cost of gas as
106 agreed to by the Parties. In future GCA filings,
107 Petitioner will not reduce the GCA factor by the base
108 cost of gas.

109 12. Q. **Does this conclude your settlement agreement testimony?**

110 A. Yes.

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Comparative Balance SheetAs of December 31, 2005, 2006 and 2007
(Unaudited)

Line No.		As of December 31,		
		2007 Col. A	2006 Col. B	2005 Col. C
1	<u>Assets and Other Debits</u>			
2	<u>Utility Plant</u>			
3	Utility plant in service	\$ 1,836,093	\$ 1,831,352	\$ 1,778,666
4	Less: Accumulated provision for depreciation	(783,384)	(720,831)	(660,307)
5				
6	Net Utility Plant in Service	\$ 1,052,709	\$ 1,110,521	\$ 1,118,359
7				
8	<u>Current and Accrued Assets</u>			
9	Cash - Operating fund	\$ (132,951)	\$ (104,449)	\$ (90,588)
10	Cash - Sinking fund	37,180	30,814	289,201
11	Cash - Meter deposit fund	153,473	143,406	101,150
12	Cash - Meter deposit clearing	(187)	18,458	913
13	Cash - Clearing account	4,687	18,543	18,543
14	Cash - Payroll fund	100	100	7,892
15	Cash - Working fund	386	386	386
16				
17	Cash - Total	\$ 62,688	\$ 107,258	\$ 327,497
18				
19	Accounts receivable - Customers	\$ 421,478	\$ 485,139	\$ 790,086
20	Accounts receivable - Others	158,235	112,089	90,503
21	Less: Accumulated provision for uncollectibles	(13,398)	(11,810)	(11,810)
22				
23	Accounts Receivable (net of reserve)	\$ 566,315	\$ 585,418	\$ 868,779
24				
25	Due from (to) other utilities	\$ (4,687)	\$ -	\$ -
26				
27	Total Current & Accrued Assets	\$ 624,316	\$ 692,676	\$ 1,196,276
28				
29	<u>Deferred Debits</u>			
30	Unamortized bond issuance costs	\$ -	\$ 2,045	\$ 8,178
31				
32	Total Deferred Debits	\$ -	\$ 2,045	\$ 8,178
33				
34	Total Assets and Other Debits	\$ 1,677,025	\$ 1,805,242	\$ 2,322,813

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Comparative Balance Sheet
As of December 31, 2005, 2006 and 2007
(Unaudited)

Line No.	As of December 31,		
	2007 Col. A	2006 Col. B	2005 Col. C
1	<u>Liabilities and Other Credits</u>		
2	<u>Proprietary Capital</u>		
3	Unappropriated retained earnings	\$ 1,093,188	\$ 1,438,283
4	Current earnings	(160,003)	294,272
5			
6	Net Utility Plant in Service	\$933,185	\$1,438,283
7			
8	<u>Long-Term Debt</u>		
9	Revenue bonds - 1997	\$ -	\$ 55,000
10	Revenue bonds - 2001	-	118,000
11	Deferral of loss on refunding	-	(749)
12	Citi Capital	2,931	5,630
13			
14	Long-Term Debt - Total	\$ 2,931	\$ 59,881
15			
16	<u>Current and Accrued Liabilities</u>		
17	Accounts payable	\$ 9,431	\$ 8,312
18	Accounts payable - Sewer	125,000	-
19	Accounts payable - Water	108,056	50,000
20	Wages payable	4,583	-
21	Sales tax payable	13,928	17,069
22	Utility receipts tax payable	11,062	14,616
23	Customer deposits	153,474	143,406
24	Accrued interest payable	513	1,978
25	Matured L-T debt - 1997	55,000	55,000
26	Matured L-T debt - 2001	-	118,000
27			
28	Current and Accrued Liabilities - Total	\$ 481,047	\$ 408,381
29			
30	<u>Contributions in Aid of Construction</u>	\$ 259,862	\$ 217,192
31			
32	Total Assets and Other Debits	\$ 1,677,025	\$ 1,805,242
			\$ 2,322,813

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Comparative Income Statement

For the Years Ended December 31, 2005, 2006 and 2007
(Unaudited)

Line No.		Year Ended 12/31/07 Col. A	Year Ended 12/31/06 Col. B	Year Ended 12/31/05 Col. C
1	<u>OPERATING REVENUES</u>			
2	Sales of gas	\$ 3,452,788	\$ 3,985,093	\$ 4,265,907
4	Other operating revenues	14,899	19,484	22,683
5				
6	Total Operating Receipts	\$ 3,467,687	\$ 4,004,577	\$ 4,288,590
7				
8	<u>OPERATING EXPENSES</u>			
9	<u>Operation and Maintenance</u>			
10	Purchased gas expense	\$ 3,044,339	\$ 3,745,716	\$ 3,414,267
11	Distribution expense	145,731	145,970	137,934
12	Customer account expense	48,962	33,413	33,061
13	Customer service & info expense	9,898	11,251	12,555
14	Administration & general expense	269,572	245,637	257,563
15				
16	Total Operation & Maintenance Expenses	\$ 3,518,502	\$ 4,181,987	\$ 3,855,380
17				
18	<u>Depreciation Expense</u>	62,553	60,524	59,394
19				
20	<u>Amortization Expense</u>	2,794	8,380	8,380
21				
22	<u>Taxes other than income</u>	60,136	70,486	74,081
23				
24	Total Operating Expenses	\$ 3,643,985	\$ 4,321,377	\$ 3,997,235
25				
26	Net Operating Income (Loss)	\$ (176,298)	\$ (316,801)	\$ 291,355
27				
28	<u>OTHER INCOME & DEDUCTIONS</u>			
29	Merchandise, Job, Contract Work	\$ 8,764	\$ 488	\$ 9,383
30	Interest income	9,338	12,276	10,560
31	Miscellaneous non-operating income	4,039	438	194
32				
33	Total Other Income & Deductions	\$ 22,141	\$ 13,201	\$ 20,137
34				
35	<u>INTEREST CHARGES</u>			
36	Interest Expense - LT Debt	\$ 5,811	\$ 14,797	\$ 17,219
37	Other interest expense	34	99	0
38				
39	Total Interest Expense	\$ 5,845	\$ 14,897	\$ 17,219
40				
41	Net Income (Loss)	\$ (160,002)	\$ (318,496)	\$ 294,273

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Operating Revenues

For the Years Ended December 31, 2005, 2006 and 2007
(Unaudited)

Line No.		Year Ended 12/31/07 Col. A	Year Ended 12/31/06 Col. B	Year Ended 12/31/05 Col. C
1	<u>OPERATING REVENUES</u>			
2	<u>Sales of Gas</u>			
3	Residential	\$ 1,343,803	\$ 1,558,111	\$ 1,755,617
4	Commercial	968,793	1,142,791	1,136,626
5	Industrial	1,101,321	1,247,667	1,332,763
6	Municipal	30,334	30,724	31,215
7	Interdepartmental - Water	5,181	5,146	7,855
8	Interdepartmental - Wastewater	3,356	654	1,831
9				
10	Total Sales of Gas	<u>\$ 3,452,788</u>	<u>\$ 3,985,093</u>	<u>\$ 4,265,907</u>
11				
12	<u>Other Operating Revenues</u>			
13	Forfeited discounts	\$ 12,920	\$ 16,765	\$ 16,766
14	Reconnects	720	353	417
15	Tap fees	1,200	791	5,500
16	Miscellaneous service revenues	59	1,575	0
17				
18	Total Other Operating Revenues	<u>\$ 14,899</u>	<u>\$ 19,484</u>	<u>\$ 22,683</u>
19				
20	Total Operating Revenues	<u><u>\$ 3,467,687</u></u>	<u><u>\$ 4,004,577</u></u>	<u><u>\$ 4,288,590</u></u>

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Operation and Maintenance Expenses

For the Years Ended December 31, 2005, 2006 and 2007
(Unaudited)

Line No.		Year Ended 12/31/07 Col. A	Year Ended 12/31/06 Col. B	Year Ended 12/31/05 Col. C
1	<u>OPERATION AND MAINTENANCE EXPENSES</u>			
2	<u>Gas Supply Expense</u>			
3	Purchased gas expense	\$ 3,044,339	\$ 3,745,716	\$ 3,414,267
4				
5	Gas Supply Expense - Total	\$ 3,044,339	\$ 3,745,716	\$ 3,414,267
6				
7	<u>Distribution Expenses</u>			
8	Operation supervision	\$ 12,312	\$ 11,489	\$ 8,683
9	Mains and services	9,699	6,106	7,788
10	Meter & house regulator	4,317	4,581	6,469
11	Customer installation	2,495	534	764
12	Transportation	13,246	20,251	16,513
13	Other expenses	34,553	28,496	29,647
14	Rents	32	-	190
15	Maintenance supervision	6,328	6,103	6,272
16	Maintenance of structures & improvements	518	2,500	294
17	Maintenance of mains	12,720	12,320	10,405
18	Maintenance of measuring & regulating equipment	1,435	1,760	553
19	Maintenance of services	19,188	21,324	20,435
20	Maintenance of meter & house regulator	4,738	9,610	10,386
21	Maintenance of other equipment	24,150	20,896	19,535
22				
23	Distribution Expense - Total	\$ 145,731	\$ 145,970	\$ 137,934
24				
25	<u>Customer Accounts Expenses</u>			
26	Meter reading expenses	\$ 12,070	\$ 11,264	\$ 11,514
27	Customer records and collection	21,906	21,501	21,447
28	Uncollectible accounts	14,986	-	-
29	Miscellaneous	-	648	100
30				
31	Customer Accounts Expense - Total	\$ 48,962	\$ 33,413	\$ 33,061
32				
33	<u>Customer Service Expenses</u>			
34	Customer service & information expense	\$ 9,140	\$ 9,095	\$ 9,768
35	Supervision	-	-	-
36	Sales promotion expenses	758	2,043	2,787
37	Miscellaneous	-	113	-
38				
39	Customer Services Expenses - Total	\$ 9,898	\$ 11,251	\$ 12,555

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Operation and Maintenance Expenses

For the Years Ended December 31, 2005, 2006 and 2007

(Unaudited)

Line No.		Year Ended 12/31/07 Col. A	Year Ended 12/31/06 Col. B	Year Ended 12/31/05 Col. C
40	<u>OPERATION & MAINTENANCE EXPENSES (cont'd)</u>			
41	<u>Administrative & General Expenses</u>			
42	Administrative & general salaries	\$ 20,495	\$ 18,158	\$ 18,031
43	Salary - Clerk-Treasurer	3,059	2,996	2,771
44	Salary - Board	1,480	1,440	1,880
45	Office supplies & other expenses	2,786	1,602	944
46	Water service	53	45	36
47	Electric service	1,916	2,655	2,342
48	Telephone service	2,670	3,868	3,890
49	Office supplies	1,112	1,676	2,419
50	Printing	-	60	-
51	Contractual services	32,920	19,518	18,778
52	Bookkeeping service	8,597	1,187	7,404
53	Payroll service	300	250	-
54	Accounting service	12,294	14,959	5,925
55	Legal service	11,523	4,835	2,152
56	Random testing	-	260	588
57	Property insurance	11,961	18,449	21,933
58	Employee benefits - Health	75,415	69,398	95,395
59	Employee benefits - Life	11,551	12,688	3,512
60	Employee benefits - Pension	25,825	23,495	25,842
61	Employee benefits - Vacation & holiday pay	29,937	30,016	27,592
62	Employee benefits - Uniforms	4,150	3,780	4,497
63	Regulatory commission expense	2,067	2,101	2,069
64	Institutional or goodwill advertising	1,060	1,024	1,504
65	Miscellaneous general expense	4,201	6,745	3,859
66	Rents	4,200	4,355	4,200
67	Maintenance of general plant	-	77	-
68				
69	Administrative & General Expenses - Total	<u>\$ 269,572</u>	<u>\$ 245,637</u>	<u>\$ 257,563</u>
70				
71	Operation & Maintenance Expenses - Total	<u>\$ 3,518,502</u>	<u>\$ 4,181,987</u>	<u>\$ 3,855,380</u>

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Pro-Forma Revenue Requirements
and Proposed Increase

Line No.	Pro-Forma Revenue Requirements	Reference P - Page C - Column L - Line	Amount	
			Including Purchased Gas Col. A	Excluding Purchased Gas Col. B
1	Operation & Maintenance Expenses - Purchased Gas	P8 - CE - L11	\$ 3,215,183	\$ 68,030
2				
3	Operation & Maintenance Expenses - Other	P8 - CE - L20	415,552	415,552
4				
5	Depreciation Expense	P8 - CE - L24	72,883	72,883
6				
7	Amortization Expense	P8 - CE - L26	-	-
8				
9	Taxes other than Income	P8 - CE - L32	68,053	68,053
10				
11	Capital Improvement Program (Mapping)	P28 - L4	6,000	6,000
12				
13	Payment in Lieu of Property Taxes (PILT)	P29 - L7	24,750	24,750
14				
15	Working Capital	P30 - L13	10,389	10,389
16				
17	Cash Return on Net Plant	P31 - L20	31,041	31,041
18				
19	Pro-Forma Revenue Requirements		\$ 3,843,851	\$ 696,698
20	Less: Other Operating Receipts		13,699	13,699
21				
22	Adjusted Pro-Forma Revenue Requirements		\$ 3,830,152	\$ 682,999
23	Less: Present Rate Revenues		3,662,277	515,124
24				
25	Increase Required - \$		\$ 167,875	\$ 167,875
26				
27	Increase Required - %		4.58%	32.59%

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Pro-Forma Net Operating Income Statement
(Unaudited)

Line No.		Year Ended 12/31/07 Col. A	Adjustment Col. B		Pro-Forma Present Rates Col. C	Adjustment Col. D		Pro-Forma Proposed Rates Col. E
1	<u>OPERATING REVENUE</u>							
2	Sales of gas	\$ 3,452,788						
3	- GCA normalization		\$ 125,365	(1)				
4	- Weather normalization		84,124	(2)	\$ 3,662,277	\$ 167,875	(16)	\$ 3,830,153
5	Other operating revenues	14,899	(1,200)	(3)	13,699			13,699
6								
7	Total Operating Revenues	\$ 3,467,687	\$ 208,289		\$ 3,675,976	\$ 167,875		\$ 3,843,852
8								
9	<u>OPERATING EXPENSES</u>							
10	<u>Operation & Maintenance (O&M) Expenses</u>							
11	Purchased Gas	\$ 3,044,339	\$ 170,844	(4)	\$ 3,215,183			\$ 3,215,183
12								
13	Other O & M expenses	474,163						
14	- Payroll expense		(4,120)	(5)				
15	- Employee benefits - Insurance		(17,776)	(6)				
16	- Employee benefits - Pension		(18,972)	(7)				
17	- Transportation expense		0	(8)				
18	- Rate case expense		53	(9)				
19	- GCA expense		1,634	(10)				
20	- Extensions & replacements		(19,430)	(11)	415,552			415,552
21								
22	Total Operation & Maintenance Expenses	\$ 3,518,502	\$ 112,232		\$ 3,630,735	\$ -		\$ 3,630,735
23								
24	<u>Depreciation expense</u>	\$ 62,553	\$ 10,330	(12)	\$ 72,883			\$ 72,883
25								
26	<u>Amortization expense</u>	\$ 2,794	\$ (2,794)	(13)	\$ -			\$ -
27								
28	<u>Taxes other than income</u>	\$ 60,136						
29	- FICA/Medicare tax expense		(473)	(14)				
30	- Utility receipts tax expense		6,040	(15)	\$ 65,703	\$ 2,350	(17)	\$ 68,053
31								
32	Total Taxes Other Than Income	\$ 60,136	\$ 5,567		\$ 65,703	\$ 2,350		\$ 68,053
33								
34	Total Operating Disbursements	\$ 3,643,985	\$ 125,335		\$ 3,769,321	\$ 2,350		\$ 3,771,671
35								
36	Net Operating Receipts (Disbursements)	\$ (176,298)	\$ 82,954		\$ (93,345)	\$ 165,525		\$ 72,180

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(1)

To adjust operating receipts to reflect
an increase due to the annualization of
GCA factors.

Adjusted cost of purchased gas				\$ 3,215,183
Less: Company usage				2,989
Unaccounted-for gas				<u>65,042</u>
Total net cost of gas				\$ 3,147,152
Divide: Test year adjusted sales				<u>301,163</u>
Pro-forma base cost of gas				\$ 10.45
Less: Base cost of gas last rate case				<u>3.90</u>
Annual GCA rate				\$ 6.55
Times: Test year adjusted sales				<u>301,163</u>
Pro-forma GCA revenues				\$ 1,972,791
Less: Test year				
Month	Year	Volume (Dth)	GCA Rate	GCA Revenue
January	2007	40,243	\$ 7.4188	\$ 298,555
February	2007	66,544	6.6866	444,953
March	2007	44,016	6.6866	294,317
April	2007	19,680	6.6866	131,592
May	2007	17,431	6.0808	105,994
June	2007	8,471	6.0808	51,510
July	2007	7,014	6.0808	42,651
August	2007	7,115	6.0314	42,913
September	2007	6,677	6.0314	40,272
October	2007	9,634	6.0314	58,107
November	2007	20,581	5.7890	119,143
December	2007	<u>37,557</u>	5.7890	<u>217,417</u>
		<u>284,963</u>		<u>1,847,426</u>
		Adjustment - Increase		<u>\$ 125,365</u>

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(2)

To adjust operating receipts to reflect
an increase due to weather normalization.

Billing Month	Year	Sales (Mcf)	Non-Heat Sensitive Sales	Heat Sensitive Sales
January	2007	40,243	1,577	38,666
February	2007	66,544	1,761	64,783
March	2007	44,016	1,810	42,206
April	2007	19,680	1,242	18,438
May	2007	17,431	1,070	16,361
June	2007	8,471	1,246	7,225
July	2007	7,014	821	6,193
August	2007	7,115	769	6,346
September	2007	6,677	924	5,753
October	2007	9,634	1,119	8,515
November	2007	20,581	1,447	19,134
December	2007	37,557	2,161	35,396
Total		<u>284,963</u>	<u>15,947</u>	<u>269,016</u>
<u>Base Months (Dth)</u>				
July, 2007			6,193	
August, 2007			6,346	
September, 2007			<u>5,753</u>	
Total Base Months			18,292	
Times: 4 to annualize			<u>4</u>	
Annual base load			<u>73,168</u>	
Adjusted annual sales			269,016	
Less: Annual base load			<u>73,168</u>	
Heat sensitive sales			195,848	
Times: Weather factor			<u>108.27%</u>	
Normal heat sensitive load			212,048	
Less: Heat sensitive load			<u>195,848</u>	
Increase in sales (Dth)			16,200	
Times: Rate			<u>\$ 5.1930</u>	
Adjustment - Increase				<u>\$ 84,124</u>

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Degree Day Information

Year Ended December 31, 2007

(SUPPLEMENT TO ADJUSTMENT NO. 2)

Line No.	Month	Year	Actual Degree Days	Normal Degree Days	Difference	
					Degree Days	Percent
1	January	2007	922	1,110	(188)	
2	February	2007	1,177	881	296	
3	March	2007	458	670	(212)	
4						
5	April	2007	397	368	29	
6	May	2007	58	130	(72)	
7	June	2007	-	19	(19)	
8						
9	July	2007	-	1	(1)	
10	August	2007	-	3	(3)	
11	September	2007	5	25	(20)	
12						
13	October	2007	188	319	(131)	
14	November	2007	629	626	3	
15	December	2007	881	953	(72)	
16						
17	Total		<u>4,715</u>	<u>5,105</u>	<u>(390)</u>	<u>-8.27%</u>
18						
19						
20						
21	Normal Degree Days			5,105		
22	Actual Degree Days			<u>4,715</u>		
23						
24	Warmer than Normal			<u>108.27%</u>		

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Detail of Adjustment

(3)

To adjust operating revenues to reflect a
decrease due to the elimination of tap fees.

Adjustment - (Decrease)

\$ (1,200)

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(4)

To adjust operating expenses to reflect
an increase in purchased gas expense.

Sales of gas in test year (Dth)	284,963
Add: Degree day adjustment	16,200
Company usage	286
Unaccounted-for gas	6,224
	<hr/>
Pro-forma purchased gas (Dth)	307,673
Times: Cost per Dth	\$ 10.45
	<hr/>
Pro-forma purchased gas expense	\$ 3,215,183
Less: Test year	3,044,339
	<hr/>
Adjustment - Increase	\$ 170,844
	<hr/>

Purchased Gas Expense (Test Year)

		<u>Costs</u>	<u>Dth</u>	<u>Cost/Dth</u>
January	2007	\$ 559,663	50,027	
February	2007	655,040	64,818	
March	2007	318,198	29,667	
April	2007	245,403	23,796	
May	2007	93,421	9,543	
June	2007	78,225	7,970	
July	2007	68,461	6,964	
August	2007	73,013	7,432	
September	2007	73,124	7,443	
October	2007	128,366	12,706	
November	2007	286,833	30,053	
December	2007	427,824	44,503	
		<hr/>	<hr/>	
Sub-total		\$ 3,007,571	294,922	
Add: December, 2006		464,592	40,921	
Less: December, 2007		(427,824)	(44,503)	
		<hr/>	<hr/>	
Total		<u>3,044,339</u>	<u>291,340</u>	<u>\$ 10.45</u>

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Unaccounted-for Gas Calculation
Twelve Months Ended July 31, 2007

(SUPPLEMENT TO ADJUSTMENT NO. 4)

Line No.	Month	Year	Dth Delivered	Dth Sold	Difference	
					Dth	Percent
1	August	2006	8,810	7,652	1,158	
2	September	2006	10,634	9,590	1,044	
3	October	2006	22,231	17,568	4,663	
4						
5	November	2006	31,774	25,951	5,823	
6	December	2006	40,921	36,781	4,140	
7	January	2007	50,027	40,243	9,784	
8						
9	February	2007	64,818	66,544	(1,726)	
10	March	2007	29,667	44,016	(14,349)	
11	April	2007	23,796	19,680	4,116	
12						
13	May	2007	9,543	17,431	(7,888)	
14	June	2007	7,970	8,471	(501)	
15	July	2007	6,964	7,014	(50)	
16						
17	Total		307,155	300,941	6,214	2.02%

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(5)

To adjust operating disbursements to
reflect a decrease in payroll expense.

Utility Board	\$	1,440
Clerk-Treasurer		3,001
Attorney		1,649
Superintendent		19,827
Assistant Superintendent		18,978
Working Foremen		33,036
Equipment Operator		17,898
Mechanic		4,234
Laborer		23,480
Service		7,628
Meter Readers		10,284
Office Manager		10,985
Office		21,975
New employee		<u>14,539</u>
Pro-Forma payroll expense	\$	188,954
Less: Test year		<u>193,074</u>
Adjustment - (Decrease)		<u>\$ (4,120)</u>

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(6)

To adjust operating disbursements to reflect a decrease in health, life and other insurance benefits.

Monthly Premium

Humana Health Care	\$	14,734
Avesia Vision Care		182
Companion Insurance		739
HRA Account		<u>1,600</u>

Pro-forma monthly expense - Insurance	\$	17,255
Times: 12 to annualize		<u>12</u>

Pro-forma annual expense - Insurance	\$	207,060
Times: Percent allocated to Gas Utility		<u>31%</u>

Pro-forma annual expense allocated to Gas Utility	\$	64,189
Less: Test year		<u>81,965</u>

Adjustment - (Decrease)	\$	<u><u>(17,776)</u></u>
-------------------------	----	------------------------

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(7)

To adjust operating disbursements to
reflect a decrease in pension expense.

Pro-forma annual pension costs	\$	21,480
Times: Percent allocated to Gas Utility		<u>31%</u>
Pro-forma annual expense allocated to Gas Utility	\$	6,659
Less: Test year		<u>25,631</u>
Adjustment - (Decrease)		<u><u>\$ (18,972)</u></u>

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(8)

To adjust operating disbursements to reflect
an increase in transportation expense due
to increase fuel costs.

Pro-forma annual expense allocated to Gas Utility	\$	6,861
Less: Test year		<u>6,861</u>
Adjustment - Increase	\$	<u><u>-</u></u>

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(9)

To adjust operating disbursements to reflect
an increase due to rate filings with the IURC -
The amortization of rate case expense and the
elimination of non-recurring expenses associated
with costs incurred in IURC Cause No. 43090.

Legal	\$	7,000	
Rate Consultant		15,000	
IURC & OUCC Fee		5,000	
Pro-forma rate case expense	\$	27,000	
Divide: Amortization period (years)		5	
Annual rate case expense	\$	5,400	
Less: Test year		5,347	
Adjustment - Increase			\$ 53

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(10)

To adjust operating disbursements to
reflect an increase due to the normalization
of cost for GCA procedures.

Commission charge for GCA proceedings	\$	2,701	
Financial		4,638	
Legal		<u>3,344</u>	
Pro-forma GCA expenses	\$	10,683	
Less: Test year		<u>9,049</u>	
Adjustment - Increase			<u>\$ 1,634</u>

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Detail of Adjustment

(11)

To adjust operating disbursements to
reflect a decrease due to reclassification
of expenditures as "Extensions & Replacements."

<u>Vendor</u>	<u>Description</u>	<u>Check #</u>	<u>Amount</u>
Consolidated Pipe & Supply Co., Inc.	Materials for new service	32211	\$ 1,725
R&S Products	Rebuilt meters	32233	1,875
Heath Consultants	New sniffer	32301	1,456
Holland Supply	Inventory	32304	1,720
Consolidated Pipe & Supply Co., Inc.	Casket Company (JWO)	32430	1,897
Holland Supply	Valve	32441	606
Consolidated Pipe & Supply Co., Inc.	Inventory	32448	3,485
Consolidated Pipe & Supply Co., Inc.	Valves	32499	1,619
R&S Products	Rebuilt meters	32619	740
Chipman's Maintenance Contracting, Inc.	Water utility's expense	32510	1,250
Chipman's Maintenance Contracting, Inc.	New gas valve	32532	240
Jefferson's Pro Lawn & Landscaping	New service - landscaping	32566	633
Chipman's Maintenance Contracting, Inc.	New service & replacement	32600	2,184
Adjustment - (Decrease)			<u>\$ (19,430)</u>

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Detail of Adjustment

(12)

To adjust operating expenses to reflect an increase due to normalizing depreciation expense.

	<u>Land</u>	<u>Buildings & Improvements</u>	<u>Machinery & Equipment</u>	<u>Transportation</u>	<u>Total</u>
Utility plant in service	\$ 500	\$ 1,589,421	\$ 139,524	\$ 106,648	\$ 1,836,093
Add: Capitalized expenditures		19429.95			
Adjusted Utility Plant in Service	<u>\$ 500</u>	<u>\$ 1,608,851</u>	<u>\$ 139,524</u>	<u>\$ 106,648</u>	<u>\$ 1,836,093</u>
Times: Depreciation rate		<u>3.00%</u>	<u>10.00%</u>	<u>10.00%</u>	
Pro-Forma Depreciation Expense		<u>\$ 48,266</u>	<u>\$ 13,952</u>	<u>\$ 10,665</u>	<u>\$ 72,883</u>
Less: Test year					<u>62,553</u>
Adjustment - Increase					<u>\$ 10,330</u>

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Detail of Adjustment

(13)

To adjust operating disbursements to reflect a decrease due to the elimination of the two amortization expenses relating to the bond issue.

Adjustment - (Decrease)	<u><u>\$ (2,794)</u></u>
-------------------------	--------------------------

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Detail of Adjustment

(14)

To adjust operating disbursements to reflect a decrease
in FICA/Medicare tax expense.

Pro-forma payroll expense	\$	188,954	
Times: FICA/Medicare tax rate		<u>7.65%</u>	
Pro-forma utility receipts tax expense	\$	14,455	
Less: Test year		<u>14,928</u>	
Adjustment - (Decrease)			<u><u>\$ (473)</u></u>

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(15)

To adjust operating disbursements to reflect an increase
due to utility receipts tax on operating revenues.

Pro-forma present rate revenues	\$	3,675,976	
Less: Tax-exempt sales		-	
Bad debt expense		14,986	
Exemption		333	
Taxable receipts	\$	3,660,657	
Times: Utility receipts tax rate		1.40%	
Pro-forma utility receipts tax expense	\$	51,249	
Less: Test year		45,209	
Adjustment - Increase			\$ 6,040

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(16)

To adjust operating receipts to reflect an "across-the-board"
increase in present retail rates.

Adjustment - Increase

\$167,875

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Detail of Adjustment

(17)

To adjust operating disbursements to reflect an increase
in utility receipts tax due to proposed increase.

Pro-forma present rate receipts - Retail
Times: Utility receipts tax rate

\$ 167,875
1.4%

Adjustment - Increase

\$ 2,350

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Capital Improvement Program (Mapping)

<u>Line No.</u>		
1	Pro-forma cost of mapping	\$ 30,000
2	Divide: Number of years	<u>5</u>
3		
4	Capital Improvement Program - Annually	<u><u>\$ 6,000</u></u>

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Payment in Lieu of Taxes (PILT)

Line
No.

1	Utility Plant in Service - Adjusted	\$ 1,836,093
2	Less: Accumulated provision for depreciation - Adjusted	<u>(783,384)</u>
3		
4	Net Utility Plant in Service	\$ 1,052,709
5	Times: Effective corporate tax rate	<u>2.3511%</u>
6		
7	Pro-Forma Payment in Lieu of Taxes	<u><u>\$ 24,750</u></u>

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Working Capital Calculation

Line
No.

1	Pro-forma operation and maintenance expenses	\$ 3,630,735
2	Less: Purchased gas	<u>3,215,183</u>
3		
4	Adjusted pro-forma operation and maintenance expenses	\$ 415,552
5	Divide: FERC 45-day factor	<u>8</u>
6		
7	Sub-total	\$ 51,944
8	Less: Available cash	<u>0</u>
9		
10	Sub-total	\$ 51,944
11	Divide: Amortization period (years)	<u>5</u>
12		
13	Working Capital Requirement	<u><u>\$ 10,389</u></u>

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Cash Return on Net Utility Plant in Service

Line No.		Amount Col. A	Percent of Total Col. B	Cost Col. C	Weighted Cost Col. D
1	<u>Capital Structure</u>				
2	Retained Earnings	\$ 933,185	85.88%	4.50%	3.86%
3	Customer Deposits	153,474	14.12%	0.00%	0.00%
4					
5	Total	<u>\$ 1,086,659</u>	<u>100.00%</u>		<u>3.86%</u>
6					
7					
8					
9	<u>Return on Rate Base</u>				
10	Utility Plant in Service - Adjusted				\$ 1,836,093
11	Less: Accumulated provision for depreciation				(783,384)
12	Less: Contributions in aid of construction				<u>(259,862)</u>
13					
14	Net utility plant in service				\$ 792,847
15	Add: Working Capital				<u>10,389</u>
16					
17	Rate Base				\$ 803,236
18	Times: Weighted cost of capital				<u>3.86%</u>
19					
20	Return on Rate Base				<u>\$ 31,041</u>

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Schedule of Present and Proposed Rates - Metered Rates

Line No.				Present Rates Col. A	Proposed Rates	
					Including Purchased Gas Col. B	Excluding Purchased Gas Col. C
1	<u>General Gas Service</u>					
2	<u>Commodity Charge</u>					
3	First	8	therms per month	\$ 0.8209	\$ 1.6164	\$ 0.5713
4	Next	12	therms per month	0.5898	1.3100	0.2649
5	Next	980	therms per month	0.5507	1.2581	0.2131
6	Next	1,000	therms per month	0.5284	1.2285	0.1835
7	Over	2,000	therms per month	0.5193	1.2165	0.1714
8						
9						
10						
11						
12						
13						
14						
15	<u>Large Firm Industrial Gas Service</u>					
16	First	2,000	therms per month	\$ 0.5311	\$ 1.2321	\$ 0.1871
17	Next	18,000	therms per month	0.5271	1.2268	0.1818
18	Next	40,000	therms per month	0.5141	1.2096	0.1645
19	Next	50,000	therms per month	0.5089	1.2027	0.1576
20	Over	110,000	therms per month	0.4920	1.1803	0.1352

AURORA MUNICIPAL GAS UTILITY
Dearborn County, Indiana

Determination of Gas Cost Adjustment (GCA) Charge - GCA-99
Estimated Period: November, 2008 through January, 2009

Line No.		Current Base Rates Col. A	Proposed Base Rates	
			Including Purchased Gas Col. B	Excluding Purchased Gas Col. C
	<u>Estimated Cost of Gas to be Recovered</u>			
1	Estimated Cost Adjusted for Incentive Rate Purchases	\$ 1,151,784	\$ 1,151,784	\$ 1,151,784
2	Contracted Storage and Transportation Cost	-	-	-
3	Gas Injected/Withdrawn from Storage - Net Cost	-	-	-
4	Total Estimated Gas Cost	\$ 1,151,784	\$ 1,151,784	\$ 1,151,784
	Less: Cost to be Recovered Under Schedules Containing			
5	Provisions for Changes in Gas Cost	-	-	-
6	Estimated Cost of Unaccounted for Gas	-	-	-
7	Net Cost of Gas to be Recovered	\$ 1,151,784	\$ 1,151,784	\$ 1,151,784
	<u>Estimated Sales Volume</u>			
8	Total Estimated Sales in Dth	109,191	109,191	109,191
	Less: Estimated Sales Under Schedules Containing			
9	Provisions for Changes in Gas Cost	-	-	-
10	Sales Subject to Gas Cost Adjustment (GCA) Rates	109,191	109,191	109,191
	<u>Base Rate Cost of Gas</u>			
11	Base Rate Cost of Gas	\$ 1,443,224	\$ 3,212,021	\$ -
	Less: Rate Case Cost Allocated to Schedules Containing			
12	Provision for Changes in Gas Cost	-	-	-
	Cost of Unaccounted for Gas Approved in			
13	Last Rate Case	9,032	65,042	-
14	Net Base Rate Cost of Gas	\$ 1,434,192	\$ 3,146,979	\$ -
	<u>Base Rate Sales Volume</u>			
15	Total Sales Units Used to Determine Base Rates	367,741	301,163	-
	Less: Rate Case Sales Under Schedules Containing			
16	Provisions for Changes in Gas Cost	-	-	-
17	Net Base Rate Sales Unit	367,741	301,163	-
18	Base Rate Cost of Gas Per Unit (Line 14 / Line 17)	\$ 3.9000	\$ 10.4500	\$ -
	<u>Gas Cost Adjustment Rate</u>			
19	Gas Cost Variance Dollars (Schedule 12b)	\$ 1,221	\$ 1,221	\$ 1,221
20	Excess Return Reduction	-	-	-
21	Total Variance (Line 19 - Line 20)	\$ 1,221	\$ 1,221	\$ 1,221
22	Total Dollars to be Refunded (Schedule 12a)	-	-	-
23	Total Cost to be Recovered Through GCA and Base Rates	\$ 1,153,005	\$ 1,153,005	\$ 1,153,005
24	Total Cost to be Recovered Through GCA Per Unit Sales	\$ 10.5595	\$ 10.5595	\$ 10.5595
25	Cost to be Recovered Through GCA (Less Base Cost)	\$ 6.6595	\$ 0.1095	\$ 10.5595
	Gas Cost Adjustment Charge Modified for Indiana			
26	Utility Receipts Tax (Line 25 / (1 - 1.4%) - Per Dth	\$ 6.7541	\$ 0.1110	\$ 10.7095

AURORA MUNICIPAL GAS UTILITY

Dearborn County, Indiana

Billing Comparisons (General Service)

Usage (therms)	Present Bill	Proposed Bill			
		Proposed Including Purchased Gas	Increase	Proposed Excluding Purchased Gas	Increase
50	\$ 63.94	\$ 66.94	\$ 3.00	\$ 66.94	\$ 3.00
100	125.24	130.39	5.15	130.39	5.15
150	186.55	193.85	7.30	193.85	7.30
200	247.85	257.30	9.45	257.30	9.45
250	309.16	320.75	11.59	320.75	11.59

		Proposed Rates		
		Present Rates	Including Purchased Gas	Excluding Purchased Gas
Therms				
First	8	\$ 0.8209	\$ 1.6164	\$ 0.5713
Next	12	0.5898	1.3100	0.2649
Next	980	0.5507	1.2581	0.2131
Next	1,000	0.5284	1.2285	0.1835
Over	2,000	0.5193	1.2165	0.1714
GCA-99 Factor		0.6754	0.0109 *	1.0560 *

(*) before URT Adjustment.

Aurora Municipal Gas Utility
110 Main Street
Aurora, Indiana 47001

RATES AND CHARGES FOR GENERAL GAS SERVICE
(Approved _____ in Cause No. 43527)

Applicable

In Aurora and environs in Dearborn County, Indiana.

Availability

Available for residential, commercial and small industrial customers. Applicable must be located on Utility's gas mains suitable and adequate for supplying this service.

Character of Service

All gas will be billed on a therm basis determined by supplier's calculation of MMBtu.

Rate

Commodity Charge

First	8 therms per month	\$ 0.5713 per therm
Next	12 therms per month	0.2649 per therm
Next	980 therms per month	0.2131 per therm
Next	1,000 therms per month	0.1835 per therm
Over	2,000 therms per month	0.1714 per therm

Minimum Charge

Excluding gas used for space heating purposes
per meter per month \$ 4.71 *

Including gas used for space heating purposes
per meter per month \$ 16.00 *

Collection Charge

On the first \$3.00 or less of net billing..... 10%
On the amount in excess of \$3.00..... 3%

Bills shall be rendered and due monthly. If paid within 17 days from date thereof, as stated in on the bill, the net amount shall be paid. If not paid within 17 days, the gross bill which includes the collection charge is the amount to be paid.

Other Terms and Conditions

Service hereunder shall be subject to the Utility's Rules and Regulations.

* Subject to the provisions of Appendix A

Subject to the non-recurring charges listed in Appendix C.

Issued:

Effective:

Aurora Municipal Gas Utility
110 Main Street
Aurora, Indiana 47001

RATES AND CHARGES FOR LARGE FIRM INDUSTRIAL GAS SERVICE

(Approved _____ in Cause No. 43527)

Applicable

In Aurora and environs in Dearborn County, Indiana.

Availability

Available for large firm industrial customers. Applicable must be located on Utility's gas mains suitable and adequate for supplying this service.

Character of Service

All gas will be billed on a therm basis determined by supplier's calculation of MMBtu.

Rate

Commodity Charge			
First	2,000	therms per month	\$ 0.1871 per therm
Next	18,000	therms per month	0.1818 per therm
Next	40,000	therms per month	0.1645 per therm
Next	50,000	therms per month	0.1576 per therm
Over	110,000	therms per month	0.1352 per therm

Minimum Charge

Per meter per month. \$ 688.15 *

Collection Charge

On the first \$3.00 or less of net billing..... 10%
On the amount in excess of \$3.00..... 3%

Bills shall be rendered and due monthly. If paid within 17 days from date thereof, as stated in on the bill, the net amount shall be paid. If not paid within 17 days, the gross bill which includes the collection charge is the amount to be paid.

Other Terms and Conditions

Service hereunder shall be subject to the Utility's Rules and Regulations.

* Subject to the provisions of Appendix A

Subject to the non-recurring charges listed in Appendix C.

Issued:

Effective:

APPENDIX A

(Approved _____ in Cause No. 43527)

Aurora Utilities
110 Main Street
Aurora, Indiana

Tariff Number
GCA - 99

AURORA MUNICIPAL GAS UTILITY

GAS COST ADJUSTMENT FACTOR

The Gas Cost Adjustment for the following Rates shall be on the basis of a Rate Tracking Factor, occasioned solely by changes in the cost of purchased gas, in accordance with the Order of the Indiana Utility Regulatory Commission, approved May 14, 1986 in Cause No. 37091, as follows:

<u>Rates</u>	<u>Applicable GCA Tracking Factor</u>
1. General Natural Gas Service	\$1.07095 per therm
2. Large Firm Industrial Gas Service	\$1.07095 per therm

Applicable to the Consumption months of November, December, 2008 and January, 2009

Current base rates became effective _____ in accordance with the Indiana Utility Regulatory Commission Order (Cause No. 43527).

Original GCA-99 factor was approved by the Indiana Utility Regulatory Commission in Cause No. 37447 - GCA 99, dated October 29, 2008.

Aurora Municipal Gas Utility
110 Main Street
Aurora, Indiana 47001

APPENDIX B

BASE RATE COST OF GAS

(Approved _____ in Cause No. 43527)

PURCHASES (COST)

Pro-forma purchased gas expense	\$	-
Less: Company usage		-
Unaccounted for gas		-
		<hr/>
Net Base Rate Cost of Gas		-
		<hr/>

PURCHASES (Dth)

Test year sales		-
Add: Degree day adjustment		-
New customers		-
Customer normalization		-
		<hr/>
Net Base Rate Sales Unit		-
		<hr/>
Base Rate Cost of Gas per Dth	\$	-
		<hr/> <hr/>

Aurora Municipal Gas Utility
110 Main Street
Aurora, Indiana 47001

APPENDIX C

NON-RECURRING CHARGES

Applicability

Applicable to all customers in the Utility's service area.

Charges

Bad Check Charge	\$ 10.00
Reconnect Charge	\$ 10.00
Late Payment Charge	10% of First \$3.00 3% or Remainder
Deposit - According to meter size	
<u>Meter Size</u>	
175	\$ 75.00
200	100.00
250	125.00
300	200.00
400	250.00
675	300.00
1,000	350.00
Larger meters	To be set by Utility Board
Customer Visit to Collect Delinquent Bill	\$ 5.00
Charge to Extend Mains and Services	To be paid by Customer

Issued:

Effective: